



State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.adm.state.vt.us

[phone] 802-828-3322
[fax] 802-828-3320

Jeb Spaulding, Secretary

PRESS RELEASE

November 15, 2013

FOR IMMEDIATE RELEASE

CONTACT: Jeb Spaulding
(802) 828-3322

Montpelier, VT - Secretary of Administration Jeb Spaulding Announces Vermont's Revenue Results for October 2013: General and Education Funds Exceed Target for the Month; Transportations Fund Falls Slightly Below.

General Fund

Secretary of Administration Jeb Spaulding released the October 2013 General Fund (GF) revenue results today. October is the fourth month of fiscal year (FY) 2014. General Fund revenues totaled \$109.13 million for October 2013, +\$1.86 million or +1.74% ahead of the monthly target. Year to date, General Fund receipts were \$425.43 million, +\$2.29 million or +0.54% above the cumulative target, and +\$20.28 million (+5.01%) ahead of the same period for the prior fiscal year (FY 2013).

Secretary Spaulding commented, "It appears Vermont's economy was not severely impacted by the federal shutdown. October was a decent month revenue wise, allowing us to remain slightly above target for the year and comfortably ahead of last year. The majority of the individual General Fund tax categories are running as predicted."

Current targets reflect the Fiscal Year 2013 Consensus Revenue Forecast adopted by the Emergency Board at their July 23, 2013 meeting. Statutorily, the State is required to revise the Consensus Revenue Forecast two times per year, in January and July; the Emergency Board may schedule interim revisions if deemed necessary. A date for the January 2014 Emergency Board has not been selected at this time.

Personal Income Tax (PI) receipts are the largest single state revenue source providing approximately 52% of total GF revenue. PI Tax receipts are reported Net-of-Personal Income Tax refunds. Net Personal Income Tax is comprised of PI Withholding Tax, PI Estimated Payments, PI Refunds Paid, and PI Other. Net PI Receipts for October were \$59.43 million, +\$2.20 million or +3.84% ahead of the monthly target of \$57.23 million. Year to date, Net PI Tax receipts were \$216.59 million, +\$2.94 million or +1.38% above the target of \$213.65 million. Compared to the same period of the prior fiscal year (FY 2013), Net PI Tax receipts are +9.19% ahead.

Corporate Income Taxes are also reported net of refunds. Net Corporate Income Taxes receipts were recorded at \$2.15 million for the month, -\$2.39 million or -52.74% below the monthly target of \$4.54 million. Year to date, Net Corporate revenues were \$22.83 million, -\$2.56 million below the

cumulative target of \$25.39 million, and -\$4.24 million below the same period of the prior fiscal year.

Secretary Spaulding explained, “The weak Corporate results for the month will require careful monitoring especially related to the upcoming January 2014 consensus revenue forecast revision. This is a volatile revenue component, so we shouldn’t jump to a conclusion yet about a developing trend at this time.”

Consumption tax results for October were both positive for the month: Sales & Use Tax receipts of \$21.76 million exceeded target by +\$0.37 million (+1.71%); and Rooms & Meals Tax receipts of \$12.98 million were above target by +\$0.87 million (+7.20%). Year to date, the results for Consumption Taxes were also positive: Sales & Use Tax receipts of \$79.27 million was ahead of target by +\$0.08 million (+0.10%); and Rooms & Meals Tax receipts of \$52.62 million exceeded target by +\$2.04 million (+4.03%). Compared to the cumulative results from the prior fiscal year (FY 2013), Sales & Use Tax fell short of by -0.36%, and Meals & Rooms exceeded the prior year results by +5.92%.

The remaining non-major tax components include Insurance, Inheritance & Estate Tax, Real Property Transfer Tax, and “Other” (which includes: Bank Franchise Tax, Telephone Tax, Liquor Tax, Beverage Tax, Fees, and Other Taxes). The results for the remaining non-major categories for October were as follows: Insurance Tax, \$0.52 million (+106.67%); Inheritance & Estate Tax, \$0.60 million (-32.58%); Property Transfer Tax, \$0.97 million (-1.90%); and “Other”, \$10.72 million (+8.68%). Cumulatively, the results for the remaining non-major categories were: Insurance Tax, \$8.63 million (+15.17%); Inheritance & Estate Tax, \$9.82 million (-15.65%); Property Transfer Tax, \$4.05 million (+4.44%); and “Other”, \$31.60 million (+0.94%). The cumulative non-major components total of \$54.11 million, is +\$3.63 million or +7.18% ahead of receipts for the same period of the prior fiscal year (FY 2013).

General Fund By Major Element (In Millions)*

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Personal Income	57.23	59.43	2.20	3.84%	213.65	216.59	2.94	1.38%	198.36	18.24	9.19%
Sales & Use	21.40	21.76	0.37	1.71%	79.19	79.27	0.08	0.10%	79.56	-0.29	-0.36%
Corporate	4.54	2.15	-2.39	-52.74%	25.39	22.83	-2.56	-10.07%	27.07	-4.24	-15.65%
Meals & Room	12.11	12.98	0.87	7.20%	50.58	52.62	2.04	4.03%	49.68	2.94	5.92%
Insurance Premium	0.25	0.52	0.27	106.67%	7.49	8.63	1.14	15.17%	8.64	-0.01	-0.15%
Inheritance & Estate	0.88	0.60	-0.29	-32.58%	11.65	9.82	-1.82	-15.65%	8.97	0.86	9.56%
Real Prop. Transfer	0.99	0.97	-0.02	-1.90%	3.88	4.05	0.17	4.44%	3.40	0.65	19.17%
Other	9.86	10.72	0.86	8.68%	31.31	31.60	0.29	0.94%	29.47	2.13	7.22%
Total	107.27	109.13	1.86	1.74%	423.14	425.43	2.29	0.54%	405.15	20.28	5.01%

*Differences due to rounding

Transportation Fund

Secretary Spaulding also released the non-dedicated Transportation Fund Revenue for October. Total non-dedicated Transportation Fund receipts of \$21.40 million for the month fell short of target by -\$0.10 million (-0.46%), against the monthly target of \$21.50 million. Year to date, the receipts of \$85.43 million were +\$0.97 million, or +1.14% above the cumulative target of \$84.46 million. Compared to the same period in the prior fiscal year (FY 2013) the non-dedicated Transportation Funds exceeded the prior year by +12.33%.

Results for the five non-dedicated Transportation Fund revenue components for October were mixed. Individual Transportation Fund revenue components for October were: Gasoline Tax, \$6.05 million or -11.01% below target; Diesel Tax, \$1.22 million or -24.37% short of target; Motor Vehicle Purchase & Use Tax, \$5.79 million or +13.47% above target; Motor Vehicle Fees, \$6.80 million or 7.84% above target; and Other Fees, \$1.54 million or -8.25% below the monthly target. Year to date, individual Transportation Fund revenue components were: Gasoline Tax, \$27.11 million or -1.63% below target; Diesel Tax, \$5.02 million or -1.06% behind target; Motor Vehicle Purchase & Use Tax, \$20.91 million or +3.47% above target; Motor Vehicle Fees, \$26.22 million or +2.82% above; and Other Fees, \$6.17 million or +0.79% above the monthly target.

The Secretary also reported on the results for the Transportation Infrastructure Bond Fund (“TIB”). TIB Fund Gas receipts for October were \$1.59 million or -14.88% below the monthly target. TIB Fund Diesel receipts for the month were \$0.13 million or -18.81% below target. Year to date, TIB Fund Gas receipts were \$7.06 million or -5.25% short of target and cumulative TIB Fund Diesel receipts were \$0.51 million or +0.30% above target. Net total TIB receipts through October of \$7.57 million were -6.03% behind the same period for the prior fiscal year (FY 2013). TIB Fund receipts are noted in the table below:

The Secretary commented, “October results from the purchase and use tax were very encouraging, but we saw some slippage in gasoline and diesel receipts into November due to late filings. We hope to see this month’s shortfall covered next month and a continuation of the year to date above target results.”

*Transportation Fund By Major Element (In Millions)**

Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Gasoline	6.80	6.05	-0.75	-11.01%	27.56	27.11	-0.45	-1.63%	20.83	6.28	30.14%
Diesel Fuel	1.61	1.22	-0.39	-24.37%	5.07	5.02	-0.05	-1.06%	4.86	0.15	3.18%
MV Purchase & Use	5.10	5.79	0.69	13.47%	20.21	20.91	0.70	3.47%	18.74	2.17	11.59%
Motor Vehicle Fees	6.30	6.80	0.49	7.84%	25.50	26.22	0.72	2.82%	25.50	0.72	2.81%
Other	1.68	1.54	-0.14	-8.25%	6.12	6.17	0.05	0.79%	6.11	0.06	0.92%
Total	21.50	21.40	-0.10	-0.46%	84.46	85.43	0.97	1.14%	76.05	9.38	12.33%

Note:

TIB Fuel Fees/Gasoline	1.87	1.59	-0.28	-14.88%	7.45	7.06	-0.39	-5.25%	7.60	-0.54	-7.10%
TIB Fuel Fees/Diesel	0.16	0.13	-0.03	-18.81%	0.51	0.51	0.00	0.30%	0.46	0.05	11.72%

*Differences due to rounding

Education Fund

Today, Secretary Spaulding released the “non-Property Tax” Education Fund revenues (which constitute approximately 13% of the total Education Fund sources). The non-Property Tax Education Fund receipts for October totaled \$16.37 million, or +\$0.47 million (+2.92%) above the \$15.91 million target for the month. The individual Education Fund revenue component results for October were: Sales & Use Tax, \$11.72 million, or +1.71% above target; Motor Vehicle Purchase & Use Tax, \$2.89 million or +13.46%; Lottery Transfer, \$1.75 million, or -4.08%; and Education Fund Interest was less than \$0.01 for both receipts and target, or -10.55% below target. Year to date Education Fund receipts of \$59.69 million were +0.81% above the target of \$59.21 million. The October 2013 non-property tax

Education Fund receipts are +7.58% ahead of the results for the same period in the prior fiscal year.

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	Month				Fiscal YTD				Prior Fiscal YTD		
	Target	Revenue	\$ Change	% Change	Target	Revenue	\$ Change	% Change	Revenue	\$ Change	% Change
Sales & Use	11.52	11.72	0.20	1.71%	42.64	42.68	0.04	0.10%	39.78	2.91	7.32%
MV Purchase & Use	2.55	2.89	0.34	13.46%	10.11	10.46	0.35	3.47%	9.37	1.09	11.59%
Lottery Transfer	1.83	1.75	-0.07	-4.08%	6.43	6.52	0.09	1.35%	6.30	0.22	3.46%
Investment Income	0.01	0.01	0.00	-10.55%	0.04	0.03	0.00	-8.40%	0.04	0.00	-8.40%
Total	15.91	16.37	0.47	2.92%	59.21	59.69	0.48	0.81%	55.49	4.21	7.58%

*Differences due to rounding

Conclusion

Secretary Spaulding concluded, “We are pleased to be on target, or slightly ahead, for the year in all three major funds (General, Transportation, and Education). However, we will remain vigilant for any unanticipated variances as we near the end the calendar year, the January Consensus Revenue Forecast, and the next projected federal debt ceiling crisis in February.”

Attachments

The detailed schedules of the October 2013 year to date revenue results comparing the current periods with last year follow.

Note: Minor differences in figures are due to rounding.

**Comparative Statement of Revenues
General Fund
As of October 31, 2013**

General Fund Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Taxes			
Personal Income	198,357,459	216,593,614	9.19%
Sales & Use	79,557,870	79,271,793	-0.36%
Corporate	27,069,787	22,834,473	-15.65%
Meals & Room	49,681,097	52,620,541	5.92%
Liquor & Wine	5,597,935	5,814,257	3.86%
Insurance Premium	8,644,755	8,631,878	-0.15%
Telephone Gross Receipts	101,181	106,792	5.55%
Telephone Property	2,328,410	2,298,325	-1.29%
Beverage	2,233,351	2,271,047	1.69%
Electric Generating	3,239,613	6,368,688	96.59%
Inheritance & Estate	8,967,891	9,824,601	9.55%
Real Property Transfer	3,400,130	4,051,849	19.17%
Bank Franchise	5,162,689	5,407,262	4.74%
All Other Taxes	741,219	906,681	22.32%
Total Taxes	<u>395,083,387</u>	<u>417,001,801</u>	<u>5.55%</u>
Other Revenues			
Business Licenses	354,002	128,663	-63.65%
Fees	6,866,625	6,356,202	-7.43%
Services	908,874	359,221	-60.48%
Fines, Forfeits & Penalties	1,538,266	1,028,238	-33.16%
Interest, Prem	89,054	(16,182)	-118.17%
Special Assessments	0	0	0.00%
All Other Revenues	309,462	571,356	84.63%
Total Other Revenues	<u>10,066,283</u>	<u>8,427,498</u>	<u>-16.28%</u>
Total General Fund	<u><u>405,149,670</u></u>	<u><u>425,429,299</u></u>	<u><u>5.01%</u></u>

Date: November 07, 2013

**Comparative Statement of Revenues
Transportation Fund
As of October 31, 2013**

T Fund Detail Schedule 2

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Taxes			
Gasoline	20,829,008	27,107,776	30.14%
Diesel Fuel	4,862,199	5,016,711	3.18%
MV Purchase & Use	<u>18,741,325</u>	<u>20,912,582</u>	11.59%
Total Taxes	<u>44,432,532</u>	<u>53,037,069</u>	19.37%
Other Revenues			
Motor Vehicle Fees	25,503,376	26,221,056	2.81%
Other	<u>6,114,027</u>	<u>6,170,068</u>	0.92%
Total Other Revenues	<u>31,617,402</u>	<u>32,391,123</u>	2.45%
Total Non-Dedicated	<u>76,049,934</u>	<u>85,428,192</u>	12.33%
Dedicated			
Federal Aid	131,461,817	129,705,279	-1.34%
Infrastructure Bond Fund Revenue	8,060,563	7,574,211	-6.03%
Other	<u>1,215,698</u>	<u>3,366,772</u>	176.94%
Total Dedicated	<u>140,738,078</u>	<u>140,646,262</u>	-0.07%
Total Transportation Fund	<u>216,788,013</u>	<u>226,074,454</u>	4.28%

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: November 07, 2013

State of Vermont
Comparative Statement of Revenues
Education Fund
As of October 31, 2013

Education Fund Schedule 2

	<u>Total to Date</u> <u>Last Year</u>	<u>Total to Date</u> <u>This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use	39,778,338	42,684,812	7.31%
Purchase & Use	9,370,662	10,456,291	11.59%
Lottery Transfer	6,298,585	6,516,726	3.46%
Investment Income	38,130	34,934	-8.38%
Total estimated revenues	<u>55,485,716</u>	<u>59,692,763</u>	<u>7.58%</u>
Other Revenues:			
Education Property Taxes	(1,895,797)	(858,088)	54.74%
Electric Energy Educ Prop Tax	0	0	0.00%
Medicaid Reimbursement	0	0	0.00%
Total other revenues	<u>(1,895,797)</u>	<u>(858,088)</u>	<u>54.74%</u>
Total Education Fund	<u>53,589,919</u>	<u>58,834,675</u>	<u>9.79%</u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: November 07, 2013